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WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE WR 31-82

WASHINGTON, August 4--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following recent developments in world agriculture and trade:

GRAIN AND FEED

ARGENTINA's grain exports in July-June 1981/82 reached a record level of almost 18 million tons. The Soviet Union was Argentina's major customer for the third year in a row, importing almost 75 percent of total Argentine grain exports. Argentine corn exports this past year reached more than 8 million tons, with about 7 million destined for the Soviet Union. Wheat exports were over 4 million tons and sorghum exports totaled over 5 million tons, with the Soviets importing about 3 million tons of each.

The Soviet Union imported just over 80 percent of Argentina's total shipments in 1980/81, a big increase from 46 percent in 1979/80. Since 1979/80, Argentina has exported grain to the Soviets at the expense of previous traditional markets. However in 1981/82, Argentina was able to diversify its sorghum exports somewhat. Record sorghum export levels, accompanied by competitive prices, enabled Argentina to regain part of its former market share in Japan with exports of 700,000 tons. Year-earlier shipments, however, were nil compared with the previous trade levels of 2-2.5 million tons annually.

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NEW ZEALAND could import approximately 110,000 tons of wheat in 1982/83, against normal annual purchases of about 60,000 tons, according to the Australian Wheat Board. Quality problems in New Zealand's 1981/82 wheat crop are reportedly responsible for the need to import additional grain. Australia supplies almost all of New Zealand's wheat imports. The last U.S. wheat exports to New Zealand occurred in 1974/75.

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BRAZIL recently sold 100,000 tons of corn for export, representing the first such shipment since July-June 1978/79. Reportedly, these recent sales are destined for Spain. Since the export sales price was below the acquisition cost to the government, a direct outlay of $5-10 per ton was incurred.

Total exports from this year's crop could be as high as 500,000 tons. Brazil was a net corn importer of between 1.5-2.0 million tons during 1978/79-1980/81. A good harvest, combined with lower-than-expected feed use, the need to increase foreign exchange earnings, and the high cost of maintaining corn stocks, are primarily responsible for the resurgence of Brazil as a corn exporter.

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AUSTRALIA reportedly has sold 25,000 tons of sorghum to the German Democratic Republic (GDR), the first time the Australians have sold sorghum to that country. Although it is unlikely that the GDR will become a large volume market for Australia, the sale is viewed as a significant breakthrough in a feed market normally dominated by the European Community. The GDR has imported about 50,000-250,000 tons of sorghum in recent years.

Japan remains Australia's primary sorghum market and may import about 500,000 tons in the April-March 1982/83 period. Australia also has recently sold 125,000 tons of sorghum to Taiwan and 28,000 tons to the USSR. Harvesting and delivery of the Australian crop are virtually complete and a large portion of the exportable surplus has already been sold and shipped. The Australians are likely to export 750,000-800,000 tons of sorghum in the April-March 1982/83 marketing year.

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In KOREA, heavy to moderate rains fell throughout most of the country beginning in mid- to late July, improving the outlook for the 1982 rice crop. Precipitation for July measures at or above normal along the southern coast, but substantially below normal elsewhere. Irrigation supplies have improved as a result of these recent rains. The previous prolonged dry weather, however, severely affected upland rice areas and caused irreversible damage to some paddy rice fields, resulting in abnormally thin stands and lower yields. The U.S. agricultural counselor in Seoul estimates Korea's 1982 rice crop at about 6.25 million tons (rough basis), down 6 percent from the July 12 USDA estimate and a decrease of 11 percent from the 1981 crop.

DAIRY, LIVESTOCK AND POULTRY

Cattle slaughter in AUSTRALIA is projected to increase by nearly 6 percent this year due to current drought conditions in New South Wales and Queensland, according to the U.S. agricultural counselor in Canberra. As a result, beef production during 1982 is forecast to increase by nearly 9 percent to around 1.55 million tons. This is expected to reduce year-end cattle inventories by 1.3 percent.

The influence of the drought on the sheep herd seems to be minimal thus far, perhaps because only 43 percent of the sheep are in these two eastern states, compared with more than 66 percent of Australia's beef cattle. Sheep numbers are expected to expand by 1.6 percent this year, with slaughter and production levels remaining about the same as projected earlier this year.

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JAPAN's pork and beef production is forecast to increase 2 and 1 percent, respectively in 1983 to 485,000 tons of beef and 1.47 million tons of pork, according to the U.S. agricultural counselor in Tokyo. This growth is marginally lower than was expected during 1982.

Japanese beef production, which increased about 13 percent between 1980 and 1981 to 471,000 tons, is expected to continue at or above this relatively high level because of higher levels of fed dairy cow and steer slaughter. Dairy cattle now account for about 70 percent of beef production, compared with 50 percent in 1972.

June 1982 pork carcass prices are at the highest levels in the past 3 years. Continued favorable hog prices and stable prices for feed could lead to inventory expansion in the last quarter of this year.

Broiler production in Japan should rebound this year after registering the first reduction in history in 1981. Producers are expected to increase their output to 1.075 million tons in 1982, about 7 percent above last year, and to 1.095 million tons in 1983, according to the U.S. agricultural counselor. Stronger demand, primarily from processors servicing hotel and retail outlets, together with declining feed prices are expected to stimulate increased production.

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The SOVIET UNION has released livestock inventory data for state and collective farms and inter-farm enterprises as of July 1, 1982, and meat and livetock product procurements for the first half of 1982. As in last year's mid-year report, production statistics for livestock products were omitted. Inventories of cattle, cows and poultry increased over year-earlier levels, while hog, sheep and goat numbers declined.

Compared with last year, cattle numbers were up 0.6 percent to 94.9 million head. Cow numbers were up 1 percent to 30.1 million head, while hog numbers and sheep and goat inventories fell 0.5 and 1.8 percent, respectively. The poultry flock expanded 2 percent, less than half the rate of expansion last year.

According to the USSR's Central Statistical Administration, Soviet red meat and poultry procurements in the first half of 1982 were 2.6 percent below 1981 levels, the smallest recorded in the past 5 years. Milk procurements were only marginally above last year's levels and the second lowest in the past 5 years. Egg procurements were up 3.4 percent to 24.6 billion eggs, the smallest recorded increase since 1978.

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COTTON

SPAIN's 1982 cotton production and area will decline significantly from the previous year's levels, according to the U.S. agricultural counselor's office in Madrid. Production is expected to be down about one-fifth from the previous year's 295,000 bales, while area decreases are estimated at approximately 25 percent of last year's estimated 72,000 hectares, due to area shifts caused by corn and water shortages. Reservoirs are reportedly operating at 45 percent of capacity, compared with 53 percent last year. Moreover, water is being rationed in the main cotton producing regions of Andalusia and Extremadura.

TOBACCO

In the UNITED STATES, flue-cured tobacco sales for the 6 days of sales through July 29, 1982, totaled 49,482 tons at an average price of $3.46 per kilogram. The Flue-cured Stabilization program took 14,552 tons, or 29.4 percent of gross sales.

HORTICULTURAL AND TROPICAL PRODUCTS

In AUSTRALIA, heavy frosts in the Murray Valley during the week of July 18 have added to the citrus losses incurred during June frosts. Navel and Valencia crops were most seriously affected. Temperatures as low as -4°C (25°F) caused considerable leaf and shoot burn.

Since freeze-damaged Navels shipped to fresh markets displayed such a high incidence of breakdown, most of the Navel orange crop is now being sent directly to processors in an effort to salvage as much as possible. Prospects for the still immature Valencia crop are much bleaker in view of the extensive fruit drop that has already occurred.

Although there is not yet sufficient information available to revise the 1982 crop forecast, it appears unlikely that the volume will exceed that of 1981. At the very least, export availability of both Navels and Valencias will be sharply curtailed.

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The preliminary estimate for ITALY's 1982 crop of tomatoes for processing has been lowered from 3.3 million tons to 3 million--nearly 2 percent below the 1981 revised estimate of 3.05 million tons--because of a 2.7 percent decrease in planted area and plant loss due to unfavorable weather. In addition, prolonged drought has lowered expected yields by 2 percent. Lower production is forecast for the two main growing regions of Campania and Emilia Romagna. Italy's total tomato crop for 1982 is expected to be nearly 5 percent lower than last year's output.

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In CHINA, fresh mushroom production for 1981/82 in Fujian Province--a major producing and canning area--totaled an estimated 42,240 tons from 892 hectares. Yields were 15 percent higher than for last year's crop. With Fujian Province's continued expansion of production and canning of mushrooms for export, China is gaining more of Taiwan and Korea's traditional export markets.

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Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	August 4, 1982		Change from previous week	A year ago
	$ per m. ton	$ per bu.	¢ per bu.	$ per m. ton
Wheat				
Canadian No. 1 CWRS-13.5%	200.00	5.44	-7	238.00
U.S. No. 2 DNS/NS: 14%	176.00	4.79	-5	191.50
U.S. No. 2 DHW/HW: 13.5%	1/	1/	1/	199.50
U.S. No. 2 S.R.W	143.00	3.89	-14	159.25
U.S. No. 3 H.A.D	170.00	4.63	-2	186.00
Canadian No. 1 A: Durum	1/	1/	1/	1/
Feed grains:				
U.S. No. 3 Yellow Corn	121.00	3.07	-2	151.50
U.S. No. 2 Sorghum 2/	133.00	3.38	0	160.00
Feed Barley 3/	1/	1/	1/	138.00
Soybeans:				
U.S. No. 2 Yellow	246.00	6.70	-6	294.50
Brazil 47/48% Soya Pellets 4/	217.00	--	-1.00 5/	292.00
U.S. 44% Soybean Meal (MT)	211.00	--	-1.00 5/	249.00
EC Import Levies				
Wheat 6/	107.70	2.93	0	77.30
Barley	93.95	2.05	-18	55.00
Corn	99.05	2.52	+3	55.60
Sorghum	94.40	2.40	-14	49.10

1/ Not available.
2/ Optional delivery: Argentine Granifero Sorghum.
3/ Optional delivery: Canadian Feed Barley.
4/ Optional delivery: Argentine.
5/ Dollars per metric ton.
6/ Durum has a special levy.

Note: Basis August delivery.

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